

## **IC 20-1-19**

### **Chapter 19. Postsecondary Proprietary Educational Institution Accreditation**

#### **IC 20-1-19-1**

##### **Definitions**

Sec. 1. As used in this chapter, the following terms have the following meanings:

(1) "Postsecondary proprietary educational institution" means any person doing business in Indiana by offering to the public for a tuition, fee or charge, instructional or educational services or training in any technical, professional, mechanical, business, or industrial occupation, either in the recipient's home, at a designated location, or by mail. The following are not considered to be postsecondary proprietary educational institutions under this chapter:

(A) Any educational institution established by law and financed in whole or part by public funds.

(B) Any postsecondary proprietary educational institution approved or regulated by any other state regulatory board, agency, or commission.

(C) Any elementary or secondary school attended by students in kindergarten or grades 1 through 12, supported in whole or in part by private tuition payments. These elementary and secondary schools are expressly excluded from this chapter.

(D) Any educational institution or educational training that:

(i) is maintained or given by an employer or a group of employers, without charge, for employees or for persons the employer anticipates employing;

(ii) is maintained or given by a labor organization, without charge, for its members or apprentices;

(iii) offers exclusively instruction which is clearly self-improvement, motivational, or avocational in intent (including, but not limited to, instruction in dance, music, self defense, and private tutoring); or

(iv) is a Montessori or nursery school.

(E) Any privately endowed two (2) or four (4) year degree granting institution, regionally accredited, whose principal campus is located in Indiana.

(2) "Person" means any individual, partnership, limited liability company, association, corporation, joint venture, trust, receiver, or trustee in bankruptcy.

(3) "Commission" means the Indiana commission on proprietary education.

(4) "Accreditation" means certification of a status of approval or authorization by the commission to conduct business as a postsecondary proprietary educational institution.

(5) "Application" means a written request for accreditation, or agent's permit, on forms supplied by the commission.

(6) "Course" means any plan or program of instruction or training, whether conducted in person, by mail, or by any other method.

(7) "Agent" means any person who enrolls or seeks to enroll a resident of Indiana through personal contact, telephone, advertisement, letter, or publications in a course offered by a postsecondary proprietary educational institution or who otherwise holds himself out to the residents of Indiana as representing a postsecondary proprietary educational institution.

(8) "Agent's permit" means a nontransferable written authorization issued to a person by the commission to solicit any resident of this state to enroll in a course offered or maintained by a postsecondary proprietary educational institution.

(9) "Fund" refers to the career college student assurance fund established by section 8.2 of this chapter.

*(Formerly: Acts 1971, P.L.313, SEC.2; Acts 1972, P.L.159, SEC.1.) As amended by Acts 1976, P.L.95, SEC.1; Acts 1977, P.L.236, SEC.1; P.L.218-1987, SEC.1; P.L.104-1992, SEC.1; P.L.8-1993, SEC.254.*

### **IC 20-1-19-1.5**

#### **Purpose of chapter**

Sec. 1.5. The general assembly recognizes that the private school is an essential part of the educational system. It is the purpose of this chapter to protect students, educational institutions, the general public, and honest and ethical operators of private schools from dishonest and unethical practices.

*As added by P.L.1-1989, SEC.36.*

### **IC 20-1-19-2**

#### **Indiana commission on proprietary education**

Sec. 2. The Indiana commission on proprietary education is established.

*(Formerly: Acts 1971, P.L.313, SEC.2.) As amended by Acts 1977, P.L.236, SEC.2; P.L.218-1987, SEC.2.*

### **IC 20-1-19-3**

#### **Membership**

Sec. 3. (Membership) The Commission shall be composed of seven (7) members, one (1) of whom shall be the superintendent of public instruction or his designee and one (1) of whom shall be the executive officer of the Commission for Higher Education or his designee. The remaining five (5) members shall be appointed by the governor for a term of four (4) years, except that the first appointments to the commission which shall be made so as to provide one (1) one-year, one (1) two-year, one (1) three-year, and two (2) four-year terms on said commission. Not more than three (3) of the members appointed by the governor shall be from any one (1) political party. Of the five (5) members appointed by the governor,

one (1) shall have been engaged for a period of not less than five years immediately preceding their appointment in an executive or managerial position in a postsecondary proprietary educational institution subject to this chapter, one (1) shall have been engaged in administering or managing an industrial employee training program for a period of not less than five years immediately preceding his appointment and three (3) shall be representatives of the public at large who are not representatives of the types of postsecondary proprietary educational institutions to be accredited; provided, however, that no elected or appointed state or local official, nor any member of a private or public school shall be appointed as a representative of the public at large. Any appointment to fill a vacancy occurring on the commission shall be for the unexpired term.

*(Formerly: Acts 1971, P.L.313, SEC.2.) As amended by Acts 1977, P.L.2, SEC.69; Acts 1977, P.L.236, SEC.3.*

#### **IC 20-1-19-4**

##### **Organization; powers**

Sec. 4. (Organization: Powers) The commission may select such other officers from its membership as it deems necessary. The commission may employ and fix compensation for necessary administrative staff. The commission may adopt reasonable rules and regulations, to implement the intent of this chapter. The commission may meet as often as is necessary upon call of the chairman but meetings shall be held at least four (4) times a year. Each eligible member of the commission shall receive per diem and mileage. The commission may adopt and use a seal, the description of which shall be filed with the office of the secretary of state, which may be used for the authentication of the acts of the commission.

*(Formerly: Acts 1971, P.L.313, SEC.2.) As amended by Acts 1977, P.L.236, SEC.4.*

#### **IC 20-1-19-5**

##### **Accreditation**

Sec. 5. (Accreditation) On or after July 1, 1972, no person shall do business as a postsecondary proprietary educational institution in the state without having obtained accreditation.

*(Formerly: Acts 1971, P.L.313, SEC.2.) As amended by Acts 1977, P.L.236, SEC.5.*

#### **IC 20-1-19-6**

##### **Application; fee**

Sec. 6. (Applications: Fee) Applications for accreditation shall be filed with the commission and accompanied by an application fee of not less than one hundred dollars (\$100), for processing the application and evaluating the postsecondary proprietary educational institution.

*(Formerly: Acts 1971, P.L.313, SEC.2; Acts 1972, P.L.159, SEC.4.) As amended by Acts 1977, P.L.236, SEC.6.*

### **IC 20-1-19-7**

#### **Application; contents**

Sec. 7. The application shall include at least the following:

- (1) The name and address of the postsecondary proprietary educational institution and its officers.
- (2) The places where the courses are to be provided.
- (3) The types of courses to be offered, the form of instruction to be followed with the class, shop or laboratory, and the hours required for each curriculum.
- (4) The form of certificate, diploma, or degree to be awarded.
- (5) A statement of the postsecondary proprietary educational institution finances.
- (6) Physical facilities, including classrooms, laboratories, library, machinery and equipment, toilets, showers and lavatories.
- (7) An explicit statement of policy with reference to:
  - (A) solicitation of students;
  - (B) payment and amount of student fees; and
  - (C) conditions under which students are entitled to a refund in part or in full of fees paid, including a statement concerning the existence of the fund.
- (8) Provisions for liability insurance of students.
- (9) Maximum student-teacher ratio to be maintained.
- (10) Minimum requirements for instructional staff.

*(Formerly: Acts 1971, P.L.313, SEC.2.) As amended by Acts 1977, P.L.236, SEC.7; P.L.104-1992, SEC.2.*

### **IC 20-1-19-8**

#### **Application; bond**

Sec. 8. (a) This section is subject to section 8.1 of this chapter.

(b) Each application shall include a surety bond in a penal sum determined under section 8.1(a) of this chapter. This bond shall be executed by the applicant as principal and by a surety company qualified and authorized to do business in this state as surety or cash bond.

(c) The surety bond shall be conditioned to provide indemnification to any student or enrollee who suffers a loss or damage as a result of:

- (1) the failure or neglect of the postsecondary proprietary educational institution to faithfully perform all agreements, express or otherwise, with the student, enrollee, one (1) or both of the parents of the student or enrollee, or a guardian of the student or enrollee as represented by the application for the accreditation and the materials submitted in support of that application;
- (2) the failure or neglect of the postsecondary proprietary educational institution to maintain and operate a course or courses of instruction or study in compliance with the standards of this chapter; or
- (3) an agent's misrepresentation in procuring the student's

enrollment.

(d) A surety on that bond may be released after the surety has made a written notice of the release directed to the commission at least thirty (30) days before the release. However, a surety may not be released from the bond unless all sureties on the bond are released.

(e) The surety bond covers the period of the accreditation.

(f) The accreditation shall be suspended when that postsecondary proprietary educational institution is no longer covered by a surety bond or if the postsecondary proprietary educational institution fails to comply with section 8.1 of this chapter. The commission shall notify the postsecondary proprietary educational institution in writing at least ten (10) days prior to the release of the surety or sureties that the accreditation is suspended until another surety bond is filed in the manner and amount required under this chapter.

*(Formerly: Acts 1971, P.L.313, SEC.2; Acts 1972, P.L.159, SEC.2.)  
As amended by Acts 1977, P.L.236, SEC.8; P.L.218-1987, SEC.3;  
P.L.104-1992, SEC.3.*

#### **IC 20-1-19-8.1**

##### **Bond amount; determination; contributions to fund**

Sec. 8.1. (a) Subject to subsections (b), (c), (e), and (f), the commission shall determine the penal sum of each surety bond based upon the following guidelines:

(1) All postsecondary proprietary educational institutions that have no annual gross tuition charges assessed for the previous year shall secure a surety bond in the amount of five thousand dollars (\$5,000).

(2) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year do not total more than five thousand dollars (\$5,000), the institution shall secure a surety bond in the amount of one hundred percent (100%) of that institution's annual gross tuition charges assessed for the previous year.

(3) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are greater than five thousand dollars (\$5,000) but are not more than fifty thousand dollars (\$50,000), the institution shall secure a surety bond in the amount of five thousand dollars (\$5,000).

(4) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are greater than fifty thousand dollars (\$50,000) but are not more than five hundred thousand dollars (\$500,000), the institution shall secure a surety bond in the amount of ten percent (10%) of that institution's annual gross tuition charges assessed for the previous year.

(5) If the postsecondary proprietary educational institution's annual gross tuition charges assessed for the previous year are greater than five hundred thousand dollars (\$500,000), the institution shall secure a surety bond in the amount of fifty

thousand dollars (\$50,000).

(b) When a postsecondary proprietary institution is required to contribute to the fund and the fund has a balance on the date that the surety bond is due of at least:

- (1) one hundred thousand dollars (\$100,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by twenty percent (20%);
- (2) two hundred thousand dollars (\$200,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by forty percent (40%);
- (3) three hundred thousand dollars (\$300,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by sixty percent (60%);
- (4) four hundred thousand dollars (\$400,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by eighty percent (80%); and
- (5) five hundred thousand dollars (\$500,000), the commission shall reduce the penal sum of the surety bond described in subsection (a) by one hundred percent (100%).

(c) Except as provided in:

- (1) section 9 of this chapter; and
- (2) subsection (f);

and upon the fund's achieving at least an initial five hundred thousand dollar (\$500,000) balance, each postsecondary proprietary institution that contributes to the fund when the initial quarterly contribution is required under this chapter after the fund's establishment is not required to make contributions to the fund or submit a surety bond.

(d) The commission shall determine the number of quarterly contributions required for the fund to initially accumulate five hundred thousand dollars (\$500,000).

(e) Except as provided in section 9 of this chapter and subsection (f), postsecondary proprietary institutions that begin making contributions to the fund after the initial quarterly contribution is required under this chapter are:

- (1) required to make contributions to the fund for the same number of quarters as determined by the commission under subsection (d); and
- (2) after making the contributions to the fund as provided in subdivision (1) for the required number of quarters, may not be required to submit a surety bond.

(f) If after the fund acquires five hundred thousand dollars (\$500,000) the balance in the fund would become less than one hundred thousand dollars (\$100,000), all postsecondary proprietary institutions not required to make contributions to the fund as described in subsection (c) or (e) shall make contributions to the fund for the number of quarters necessary for the fund to accumulate five hundred thousand dollars (\$500,000).

(g) The commission shall require that each postsecondary proprietary educational institution include in each curriculum catalog

and promotional brochure the following:

(1) A statement indicating that the postsecondary proprietary educational institution is regulated by the commission under this chapter.

(2) The commission's mailing address and telephone number.

*As added by P.L.218-1987, SEC.4. Amended by P.L.104-1992, SEC.4.*

### **IC 20-1-19-8.2**

#### **Career college student assurance fund; establishment; administration expenses; investments; claims**

Sec. 8.2. (a) The career college student assurance fund is established to provide indemnification to a student or an enrollee of a postsecondary proprietary institution who suffers loss or damage as a result of any of the occurrences described in section 8(c) of this chapter if the occurrences transpired after June 30, 1992, and as provided in section 20.6 of this chapter.

(b) The fund shall be administered by the commission.

(c) The expenses of administering the fund shall be paid from money in the fund.

(d) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(f) Upon the fund's acquiring twenty-five thousand dollars (\$25,000), the balance in the fund may not become less than twenty-five thousand dollars (\$25,000). If:

(1) a claim against the fund is filed that would, if paid in full, require the balance of the fund to become less than twenty-five thousand dollars (\$25,000); and

(2) the commission determines that the student is eligible for a reimbursement under the fund;

the commission shall prorate the amount of the reimbursement to ensure that the balance of the fund does not become less than twenty-five thousand dollars (\$25,000) and the student is entitled to receive that balance of the student's claim from the fund as money becomes available in the fund from contributions to the fund required under this chapter.

(g) The commission shall ensure that all outstanding claim amounts described under subsection (f) are paid as money in the fund becomes available in the chronological order of the outstanding claims.

(h) A claim against the fund may not be construed to be a debt of the state.

*As added by P.L.104-1992, SEC.5. Amended by P.L.189-1993, SEC.1.*

### **IC 20-1-19-8.3**

#### **Quarterly contributions to fund; determination; bond**

Sec. 8.3. (a) Subject to section 8.1 of this chapter, each postsecondary proprietary institution shall make quarterly contributions to the fund. The quarters begin January 1, April 1, July 1, and October 1.

(b) For each quarter, each postsecondary proprietary institution shall make a contribution equal to the STEP THREE amount derived under the following formula:

STEP ONE: Determine the aggregate amount of tuition and fees earned during the quarter.

STEP TWO: Multiply the STEP ONE amount by one-tenth of one percent (0.1%).

STEP THREE: Add the STEP TWO amount and sixty dollars (\$60).

(c) Notwithstanding section 8.1 of this chapter, for a postsecondary proprietary institution commencing operation after July 1, 1992, the commission, in addition to requiring contributions to the fund, shall require the postsecondary proprietary institution to submit a surety bond in an amount determined by the commission for an amount of time that represents the number of quarters required for the fund to initially accumulate five hundred thousand dollars (\$500,000) as determined under section 8.1(d) of this chapter.

*As added by P.L.104-1992, SEC.6.*

#### **IC 20-1-19-9**

##### **Investigation**

Sec. 9. (a) Upon receipt of an application, the commission shall make an investigation to determine the accuracy of the statements in the application to determine if the postsecondary proprietary educational institution meets the minimum standards for accreditation.

(b) During the investigation under subsection (a), the commission may grant a temporary status of accreditation. The temporary status of accreditation is sufficient to meet the requirements of this chapter until a determination on accreditation is made.

*(Formerly: Acts 1971, P.L.313, SEC.2.) As amended by Acts 1977, P.L.236, SEC.9; P.L.218-1987, SEC.5.*

#### **IC 20-1-19-9.5**

##### **Inspection fee**

Sec. 9.5. The cost of performing the team on site investigation shall be borne by the applicant postsecondary proprietary educational institution. However, the total cost of any inspection including room, board, and mileage which does not necessitate travel outside Indiana, may not exceed one thousand dollars (\$1,000) for any one (1) postsecondary proprietary educational institution.

*(Formerly: Acts 1973, P.L.213, SEC.1.) As amended by Acts 1977, P.L.236, SEC.10; P.L.218-1987, SEC.6.*

#### **IC 20-1-19-9.6**

##### **Student records; contents; inspection; surrender to commission**



Sec. 9.6. (a) Each postsecondary proprietary institution shall maintain at least the following records for each student:

- (1) The program in which the student enrolls.
- (2) The length of the program.
- (3) The date of the student's initial enrollment in the program.
- (4) The student's period of attendance.
- (5) The amount of the student's tuition and fees.
- (6) A copy of the enrollment agreement.

(b) Upon the request of the commission, a postsecondary proprietary institution shall submit the records described in subsection (a) to the commission.

(c) If the postsecondary proprietary institution ceases operation, the postsecondary proprietary institution shall submit the records described in subsection (a) to the commission not later than thirty (30) days after the institution ceases to operate.

*As added by P.L.104-1992, SEC.7.*

## **IC 20-1-19-10**

### **Standards**

Sec. 10. Full accreditation may not be issued unless and until the commission finds that the postsecondary proprietary educational institution meets minimum standards that are appropriate to that type or class of postsecondary proprietary educational institution, including the following minimum standards:

- (1) The postsecondary proprietary educational institution has a sound financial structure with sufficient resources for its continued support.
- (2) The postsecondary proprietary educational institution has satisfactory training or educational facilities with sufficient tools, supplies, or equipment and the necessary number of work stations or classrooms to adequately train, instruct, or educate the number of students enrolled or proposed to be enrolled.
- (3) The postsecondary proprietary educational institution has an adequate number of qualified instructors or teachers, sufficiently trained by experience or education, to give the instruction, education, or training contemplated.
- (4) The advertising and representations made on behalf of the postsecondary proprietary educational institution to prospective students are truthful and free from misrepresentation or fraud.
- (5) The charge made for the training, instruction or education is clearly stated, and based upon the services rendered.
- (6) The premises and conditions under which the students work and study are sanitary, healthful, and safe according to modern standards.
- (7) The postsecondary proprietary educational institution has and follows a refund policy approved by the commission.

*(Formerly: Acts 1971, P.L.313, SEC.2.) As amended by Acts 1977, P.L.236, SEC.11; P.L.218-1987, SEC.7.*

## **IC 20-1-19-11**

### **Issuance of accreditation**

Sec. 11. (a) After investigation and a finding that the information in the application is true and the postsecondary proprietary educational institution meets the minimum standards, the commission shall issue an accreditation to the postsecondary proprietary educational institution upon payment of an additional fee of not less than twenty-five dollars (\$25).

(b) The commission may waive inspection of any postsecondary proprietary educational institution which has been accredited by an accrediting unit whose standards are approved by the commission as meeting or exceeding the requirements of this chapter.

(c) A valid license, approval to operate, or other form of accreditation issued to a postsecondary proprietary educational institution by another state may be accepted, in lieu of inspection, if:

(1) the requirements of that state meet or exceed the requirements of this chapter; and

(2) the other state will, in turn, extend reciprocity to postsecondary proprietary educational institutions accredited by the commission.

(d) Every accreditation issued expires one (1) year following its issuance.

(e) Any accredited postsecondary proprietary educational institution may renew its accreditation annually upon:

(1) the payment of a fee of not less than twenty-five dollars (\$25); and

(2) continued compliance with this chapter.

*(Formerly: Acts 1971, P.L.313, SEC.2; Acts 1972, P.L.159, SEC.3; Acts 1973, P.L.213, SEC.2.) As amended by Acts 1977, P.L.236, SEC.12; P.L.218-1987, SEC.8.*

### **IC 20-1-19-12**

#### **Revocation**

Sec. 12. Accreditation may be revoked by the commission:

(1) for cause upon notice and an opportunity for commission hearing; and

(2) for failing to make the appropriate quarterly contributions to the fund not later than forty-five (45) days after the end of a quarter.

*(Formerly: Acts 1971, P.L.313, SEC.2.) As amended by P.L.104-1992, SEC.8.*

### **IC 20-1-19-13**

#### **Hearing**

Sec. 13. (Hearing) Any postsecondary proprietary educational institution after notification that its accreditation has been refused, revoked, or suspended may apply for a hearing before the commission concerning its qualifications. The application for hearing must be filed in writing with the commission within thirty (30) days after receipt of notice of the denial, revocation or suspension.

The commission shall give a hearing promptly and with at least

ten (10) day's notice of the time and place. The postsecondary proprietary educational institution is entitled to be represented by counsel and to offer oral and documentary evidence relevant to the issue.

The commission shall within fifteen (15) days after that hearing make written findings of fact, decision and order based solely on the evidence submitted at such hearing, either granting or denying accreditation to the postsecondary proprietary educational institution. *(Formerly: Acts 1971, P.L.313, SEC.2.) As amended by Acts 1977, P.L.236, SEC.13.*

#### **IC 20-1-19-14**

##### **Suspension**

Sec. 14. (Suspension) The accreditation shall be suspended at any time when any accredited postsecondary proprietary educational institution denies enrollment to any pupil, or makes any distinction or classification of pupils on the basis of race, color, or creed. *(Formerly: Acts 1971, P.L.313, SEC.2.) As amended by Acts 1977, P.L.236, SEC.14.*

#### **IC 20-1-19-15**

##### **Representations**

Sec. 15. (Representations) No person shall: (a) Make, or cause to be made, any statement or representation, oral, written or visual, in connection with the offering or publicizing of a course, that that person knows or should reasonably know the statement or representation to be false, deceptive, substantially inaccurate or misleading.

(b) Promise or guarantee employment utilizing information, training or skill purported to be provided or otherwise enhanced by a course, unless that person shall offer that student or prospective student a bona fide contract of employment agreeing to employ that student or prospective student for a period of not less than ninety (90) days in a business or other enterprise regularly conducted by him in which that information, training or skill is a normal condition of employment.

(c) Do any act constituting part of the conduct of administration of a course if he knows, or should reasonably know, that the course is being carried on by the use of fraud, deception or other misrepresentation.

*(Formerly: Acts 1971, P.L.313, SEC.2.)*

#### **IC 20-1-19-16**

##### **Agent's permits; liability of institution as principal**

Sec. 16. (a) A person representing any postsecondary proprietary educational institution doing business in Indiana by offering courses shall not sell any course or solicit students for the institution unless the person first secures an agent's permit from the commission. If the agent represents more than one (1) postsecondary proprietary educational institution, a separate agent's permit must be obtained for

each institution that the agent represents.

(b) Upon approval of an agent's permit, the commission shall issue a pocket card to the person that includes:

- (1) the person's name and address;
- (2) the name and address of the postsecondary proprietary educational institution that the person represents; and
- (3) a statement certifying that the person whose name appears on the card is an authorized agent of the postsecondary proprietary educational institution.

(c) The application shall be accompanied by a fee of not less than ten dollars (\$10).

(d) An agent's permit is valid for one (1) year from the date of its issue. An application for renewal must be accompanied by a fee of not less than ten dollars (\$10).

(e) A postsecondary proprietary educational institution is liable for the actions of its agents.

*(Formerly: Acts 1971, P.L.313, SEC.2.) As amended by Acts 1977, P.L.236, SEC.15; P.L.218-1987, SEC.9.*

#### **IC 20-1-19-17**

##### **Temporary permit**

Sec. 17. (Temporary Permit) Any agent's permit applied for shall be granted or denied by the commission within fifteen (15) working days of the receipt of the application. If the commission has not completed its determination with respect to the issuance of a permit pursuant to this section within such fifteen (15) working-day period, it shall issue a temporary permit to the applicant. This temporary permit shall be sufficient to meet the requirements of this chapter until such time as such determination is made.

Any permit issued may upon ten (10) days notice and after a hearing be revoked by the commission if the holder of the permit solicits or enrolls students through fraud, deception, or misrepresentation or upon finding that the permit holder is not of good moral character.

*(Formerly: Acts 1971, P.L.313, SEC.2.)*

#### **IC 20-1-19-18**

##### **Remedy; damages or other relief**

Sec. 18. The fact that a bond is in force or that the fund exists shall not limit or impair any right of recovery and the amount of damages or other relief to which any plaintiff may be entitled.

*(Formerly: Acts 1971, P.L.313, SEC.2.) As amended by P.L.104-1992, SEC.9.*

#### **IC 20-1-19-19**

##### **Remedy; void contracts**

Sec. 19. (Remedy) Any obligation, negotiable or non-negotiable, providing for payment for a course or courses of instruction shall be void if the postsecondary proprietary educational institution is not accredited to operate in the State of Indiana.

*(Formerly: Acts 1971, P.L.313, SEC.2.) As amended by Acts 1977, P.L.236, SEC.16.*

#### **IC 20-1-19-20**

##### **Misrepresentation**

Sec. 20. (Misrepresentation) The issuance of an agent's permit or any accreditation shall not be deemed to constitute approval of any course, person, or institution offering, conducting or otherwise administering the same. Any representation to the contrary shall be a misrepresentation.

*(Formerly: Acts 1971, P.L.313, SEC.2.)*

#### **IC 20-1-19-20.5**

##### **Claims against bond by student for loss or damages; contents; investigation; limitations; claim against balance of fund**

Sec. 20.5. (a) This section applies to claims against the surety bond of a postsecondary proprietary institution.

(b) A student who believes that the student is suffering loss or damage resulting from any of the occurrences described in section 8(c) of this chapter, may request the commission to file a claim against the surety of the postsecondary proprietary educational institution or agent.

(c) The request must state the grounds for the claim and must include material substantiating the claim.

(d) The commission shall investigate all claims submitted to it and attempt to resolve them informally. If the claim is determined to be valid by the commission and an informal resolution cannot be made, the commission shall submit a formal claim to the surety.

(e) A claim against the surety bond may not be filed by the commission unless the student's request under subsection (b) is commenced within five (5) years after the date on which the loss or damage occurred.

(f) If the amount of the surety bond is insufficient to cover all or part of the claim, a claim or the balance of the claim against the surety bond in the amount that is insufficient shall be construed to be a claim against the balance of the fund under section 20.6 of this chapter.

*As added by Acts 1976, P.L.95, SEC.2. Amended by Acts 1977, P.L.236, SEC.17; P.L.218-1987, SEC.10; P.L.104-1992, SEC.10.*

#### **IC 20-1-19-20.6**

##### **Claims against balance of fund for reimbursement of tuition and fees; determination; priorities**

Sec. 20.6. (a) This section applies:

- (1) to claims against the balance of the fund; and
- (2) in cases where a student or an enrollee of a postsecondary proprietary institution is protected by both a surety bond and the balance of the fund, only after a claim against the surety bond exceeds the amount of the surety bond.

(b) A student or an enrollee of a postsecondary proprietary

institution who believes that the student or enrollee has suffered loss or damage resulting from any of the occurrences described in section 8(c) of this chapter may request the commission to file a claim with the commission against the balance of the fund. If there is a surety bond in an amount sufficient to cover a claim or part of a claim under this section, a claim against the balance of the fund shall be construed to be a claim against the surety bond first to the extent that the amount of the surety bond exists and the balance of the claim may be filed against the balance of the fund.

(c) A claim under this section is limited to a refund of the claimant's applicable tuition and fees.

(d) All claims must be filed not later than five (5) years after the occurrence resulting in the loss or damage to the claimant occurs.

(e) Upon the filing of a claim under this section, the commission shall review the records submitted by the appropriate postsecondary proprietary institution described under section 9.6 of this chapter and shall investigate the claim and attempt to resolve the claim as described in section 20.5(d) of this chapter.

(f) Upon a determination by the commission that a claimant shall be reimbursed under the fund, the commission shall prioritize the reimbursements in compliance with the following guidelines:

- (1) A student's educational loan balances.
- (2) Federal grant repayment obligations of the student.
- (3) Other expenses paid directly by the student.

*As added by P.L.104-1992, SEC.11. Amended by P.L.1-1993, SEC.178.*

#### **IC 20-1-19-21**

##### **Relief; injunction**

Sec. 21. (Relief: Injunction) The prosecuting attorney of the county in which the offense occurred shall, at the request of the commission or on his own motion, bring any appropriate action, including, but not limited to a mandatory and prohibitive injunction. *(Formerly: Acts 1971, P.L.313, SEC.2.)*

#### **IC 20-1-19-21.5 Repealed**

*(Repealed by Acts 1977, P.L.236, SEC.19.)*

#### **IC 20-1-19-22**

##### **Adjudication**

Sec. 22. Any action of the commission respecting the issuance, denial, or revocation of a permit or accreditation pursuant to this chapter shall be subject to review in accordance with IC 4-21.5. *(Formerly: Acts 1971, P.L.313, SEC.2.) As amended by P.L.7-1987, SEC.91.*

#### **IC 20-1-19-23**

##### **Violations; misdemeanor; felony**

Sec. 23. (a) A person who violates this chapter commits a Class B misdemeanor, except as provided in subsection (b) of this section.

(b) A person who, with intent to defraud, represents himself to be an agent of a postsecondary proprietary educational institution commits a Class C felony.

*(Formerly: Acts 1971, P.L.313, SEC.2; Acts 1974, P.L.90, SEC.1.)  
As amended by Acts 1976, P.L.95, SEC.4; Acts 1977, P.L.236, SEC.18; Acts 1978, P.L.2, SEC.2001.*

#### **IC 20-1-19-24**

##### **Collection of fees**

Sec. 24. Collection of Fees. All fees collected by the commission shall be deposited in the general fund of the state of Indiana.

*(Formerly: Acts 1971, P.L.313, SEC.2; Acts 1973, P.L.213, SEC.3.)*